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ANNUAL REPORT OF THE ADMINISTRATOR FOR 1993 AND PROGRAMME-LEVEL ACTIVITIES

INTRODUCTION BY THE ADMINISTRATOR

I. PURPOSE

1. The present report is submitted in compliance with Governing Council decision 92/2 of 14 February 1992.

2. In the past, the annual report of the Administrator comprised the introduction, the main programme record, the statistical annex and a few selected documents requested by the Governing Council. By custom, the introduction to the annual report provided an overview of the organization's activities and its responses to various legislative initiatives by the General Assembly and other organizations of the United Nations system. It also provided an avenue for the Administrator to raise, for consideration by the Council, policy or other topical issues with a bearing on development activities in general.

3. In the spirit of Executive Board decision 94/4 of 18 February 1994, calling for economy in all documentation for Executive Board consideration, the present introduction provides a brief, general overview on UNDP activities in 1993. The details on programme resources, country and intercountry programmes, special programme resources, funds administered by UNDP, other major funds and programmes, are provided separately in document DP/1994/10/Add.1.

4. The introduction to the annual report of the Administrator for 1993 is not intended to serve as a basis for policy debate. In the current session, this debate is raised under item 3 of the provisional agenda. It is proposed that, in future, all policy-related issues will be presented to the Executive Board under a separate agenda item, with specific documentation, and not as part of the introduction to the annual report of the Administrator.

II. OVERVIEW OF 1993

A. Development: a dynamic process

5. The concept and understanding of the term development are not static. Freed from Cold War considerations and constraints, the international community has evolved in its thinking and approaches to development. The political dimension of development was often underplayed in United Nations forums during the time of big power confrontation and the post-colonial years. More open and frank debate followed the easing of East-West tensions and the recognition that many countries that gained their independence in the 1960s and 1970s had registered poor socio-economic progress, despite the efforts deployed both nationally and internationally. It came to be acknowledged that a concentration on economic aspects was necessary but not sufficient: the political and cultural framework as well as the governance of countries are also critical to the achievement of development goals and must be addressed and considered as part of the development effort.

6. The international community has also reaffirmed a central principle of development: that the process must be owned by the potential beneficiaries, both nationally and locally. Above all, this means that capacity has to be built and strengthened at all levels. Without the genuine commitment and ability to make development activities attain declared goals, without the willing involvement of those for whom the effort is being undertaken, there is little possibility of the goals being met and less of the benefits being sustained over time. This principle is not new but it has too often been ignored in practice, which largely accounts for the mixed record of development as well as of development cooperation.

B. Response of UNDP

7. From the inception of the Expanded Programme of Technical Assistance (EPTA) and the Special Fund - the organizations which were merged to form UNDP in 1966 - help in reaching self-reliance has been the prime mandate of these international organizations. This took the form principally of building up and strengthening human resources and institutions. During the past four decades, hundreds of thousands of people have been and continue to be trained, directly and through UNDP-supported institutions; new skills and technologies have been introduced in more than 150 countries and territories. It is important to recall this ongoing contribution, which is in danger of being overlooked in the review of and debate on the effectiveness of development cooperation and its impact, a debate which by its nature focuses more on shortcomings than on achievements. Doubtless there is room for improvement but the resources have produced significant positive results worldwide - unlike the billions of dollars spent on arms. The challenge for UNDP is to remain relevant, accountable and constantly to seek more effective ways of supporting countries as they evolve.

8. The principal and recent contribution of UNDP to the conceptual debate on development is encapsulated in the term sustainable human development (SHD), which combines the concepts of "human development" and "sustainable development". Some of its key dimensions include poverty elimination,

employment generation, empowerment of disadvantaged groups in society, equity and the regeneration of the environment.

9. Notably, sustainable human development is a global goal, applicable to all countries, rich and poor. It is also embodied in the comprehensive mandate of the United Nations Charter and has, over the years, been augmented by various international agreements, including recently those adopted at the 1992 Earth Summit.

10. UNDP has been actively moving to promote the concept of SHD and to orient its cooperation at all levels - global, intercountry, national and sub-national - to ensure that it is supportive of SHD. With support from UNDP and a Swedish Trust Fund, SHD initiatives are being undertaken in 14 pilot countries. The objective is to support national efforts to achieve and sustain human development - in economic, socio-cultural, environmental, political and other terms. It is anticipated that the resulting SHD country progress reports will be submitted to the World Summit on Social Development in March 1995.

11. UNDP continues to support the transfer of skills and technologies but there has been a marked shift in the approach, the targets of such support and in the level of intervention. Following Governing Council decision 90/34 and repeated calls from the Council for greater focus and concentration of UNDP interventions (most recently in decision 92/28 of 26 May 1992), UNDP resources are now primarily directed towards national capacity-building in the six areas of focus identified in decision 90/34.

12. To facilitate national ownership and management of the development process, UNDP has encouraged the use of the modality of national execution for UNDP-assisted programmes, as called for in General Assembly resolution 47/199. In 1993, about 40 per cent ($411 million) of UNDP programme expenditures was through national execution. This represents an increase of 23 per cent over the previous year. United Nations specialized agencies support national execution during programme formulation through the TSS-1 facility and during implementation as cooperating and implementing agencies and for substantive and technical backstopping through the TSS-2 facility. In addition, UNDP has sought to broaden the targets of its support beyond the traditional partnership with the central governments to include non-governmental, private sector and other organizations of civil society. In particular, non-governmental organizations have participated in such UNDP-assisted programmes as the Partners in Development Programme, Africa 2000 Network and the Global Environment Facility.

13. In addition to the programming of UNDP resources in a few areas of focus, there has been a similarly conscious effort to concentrate resources at the levels of policy, programme formulation and management, i.e., to move upstream, where the relatively modest financial contribution of UNDP can have maximum impact and exploit its comparative advantages of objectivity and access to global experience.

14. In the context of thematic, multidimensional goals and greater policy orientation, the programme approach has been adopted, as called for in General Assembly resolution 44/211 of 22 December 1989. Guiding principles have been issued and the Programme Support Document (PSD) introduced as a new tool to

further the application of the programme approach by the countries concerned and the integration of UNDP inputs into national programmes. The PSD is being used for the formulation of UNDP cooperation in new collaborative ventures and will progressively become the main instrument to describe and justify UNDP support to national development programmes.

15. The greater involvement of UNDP at the policy level necessitates substantive competence and capability in areas covered by the UNDP mandate. These relate in particular to the six areas of focus specified in Governing Council decision 90/34 and to the effective marshalling of multidimensional inputs to serve sustainable human development objectives. Competence is also needed in newly emerging areas such as governance and the interface of rehabilitation and development, into which UNDP is increasingly drawn. Care must be taken to use fully the competence existing in the United Nations system and not to duplicate it within UNDP. However, there are competencies in integration techniques and team-building for multisectoral effort that are not available elsewhere and that are urgently needed for the more holistic approach to development. UNDP has to strengthen this type of competence both in its country offices and in its headquarters. This will need both redeployment of staff and extensive training.

16. An example of the type of substantive capability UNDP provides is capacity-building. It may be in a variety of specializations but there are factors and concerns that are generic and relate to cost-effectiveness, priority selection, utilization, retention and even retrieval. Capacity-building includes training and institution-building but extends to the enabling environment, including topics such as civil service reform and fiscal regimes, which may be crucial to the sustainability of development efforts.

17. The trends towards the programme approach, national execution, concentration of assistance in a few areas and up stream interventions, require decentralized decision-making on the part of UNDP. Accordingly, UNDP has delegated increased authority over personnel, administrative and programme matters to its Resident Representatives, as called for in General Assembly resolution 47/199 and also reported in document DP/1993/24. Further, in December 1993, as noted in document DP/1994/22, UNDP adopted a ten-component decentralization package designed to balance increased Resident Representative authority with strengthened reporting and accountability mechanisms. The package will be field tested in 15 programme countries in the course of 1994.

C. Coordination

18. Aid coordination has long been a concern of recipient and donor countries alike. Recipients feel the need to coordinate in order to retain control over their own development process. Donors are more concerned with avoiding duplication and unnecessary competition with other donors. UNDP has been recognized as a natural partner of governments in support of effective coordination: its presence in more than 130 countries and its neutrality constitute a comparative advantage, as well as the fact that recipient countries are themselves members of the United Nations, so that the usual donor/recipient

relationship does not apply. UNDP supports aid coordination at two distinct but related levels.

19. First, at the macro level in central governments, where it offers tools such as the national technical cooperation assessments and programme (NATCAP) and the Development Cooperation Analysis System (DCAS) software. NATCAPs are operational in over 30 countries, providing the information, policy and programming framework for decision-making on technical cooperation. UNDP also finances training for nationals in debt management and other relevant techniques.

20. UNDP cooperates with 27 least developed countries in the round-table process. This aims at mobilizing external resources by the promotion of a dialogue between recipients and donor partners. Initially, the formal round-table meetings tended to be judged by the immediate pledges that they elicited. Increasingly, judgement is based not on the event but on the process and the understanding promoted between the partners.

21. Second, UNDP is contributing to improved development cooperation at the micro level by encouraging and supporting the programme approach through providing help in the elaboration of frameworks and management systems to implement national programmes. The frameworks and systems cover all sources of funding, national and external, allowing their integration in pursuit of agreed national priority goals. UNDP is also involved with others in testing models for single accounting and reporting systems, designed to reduce significantly the burden imposed on recipients by current, diverse donor practices.

22. A long-standing concern of the international community is the improvement of coordination among the organizations and specialized agencies of the United Nations system. It has found expression in a number of resolutions and attempts at structural reform. General Assembly resolutions 44/211 and 47/199 represent the two most recent and most detailed calls for enhanced collaboration and coordination in the system. UNDP has responded to these calls both in collective efforts with its partners in the system, as well as on an individual basis when appropriate. Document DP/1994/22 provides a detailed update.

23. The role and functions of the Resident Coordinator are covered extensively in General Assembly resolution 47/199: these are clearly central to effective coordination at the country level. The resolution specifically requests the Secretary-General to widen the pool of qualified development professionals eligible for appointment as UNDP Resident Representatives/Resident Coordinators to the members of the Joint Consultative Group on Policy (JCGP), together with increased transparency in the selection process. UNDP has agreed with its JCGP partners on a procedure that fully meets the requirements of the resolution. By mid-1994, there will be five Resident Representatives/Resident Coordinators from JCGP members other than UNDP and this number will increase in future years. As no new posts are available for this purpose, reciprocity in staff exchanges will be essential. Discussions are under way to explore ways in which the Resident Coordinator role can be better supported, both substantively and logistically, at the country level.

24. The pivotal role of the Resident Representative/Resident Coordinator was also restated in General Assembly resolution 48/209, which reaffirmed that the Resident Representative will normally be designated as the Resident Coordinator and that, in accordance with resolution 46/182, the Resident Coordinator will normally coordinate the humanitarian assistance of the United Nations system at the country level.

25. UNDP has worked with its system partners to develop guidelines for the country strategy note (CSN) advocated in General Assembly resolution 47/199. About 40 countries have expressed interest in elaborating such a note, for which the inputs of the system are to be coordinated by the Resident Coordinator as team leader. In those countries preparing a CSN, the precise relationship and workload implications of that exercise and the preparation of country programmes for the agencies of the United Nations system have to be determined. There may be a case for incorporating a CSN as an integral, common part of a country programme rather than considering it as a background document with a repetition of its content in the several country programmes. This approach would underline the convergence of the different mandates instead of reflecting their separateness.

26. While the UNDP focus is development, it continues to be drawn into emergency and humanitarian operations, in part because of its mandate and in part because of its country presence and the Resident Representative/Resident Coordinator role. Its interventions on the relief-to-development continuum vary according to circumstances. In Afghanistan, Haiti, Somalia and Liberia, the emphasis has not yet reverted to development, whereas in Cambodia and El Salvador, relief and rehabilitation are steadily giving place to longer-term capacity-building and other development-oriented cooperation. Experience in the latter countries underscores the need to take into account development considerations even during periods of major disruption to prevent a loss of focus and direction and to permit the resumption of normal activities without undue delay.

D. Resources

27. The ability of UNDP to respond to the various tasks entrusted to it is largely dependent on the financial resources made available by its members. In its decision 90/34, the Governing Council established the financial parameters for basic programme activities in the fifth cycle. As indicated in document DP/1994/18, total resources from voluntary contributions and miscellaneous income were estimated at $6,501 million for the cycle. However, current projections reflect a shortfall of 24 per cent on total voluntary contributions for the cycle. Accordingly, UNDP country offices were informed in 1993 that programming should be carried out at the level of 75 per cent of the established indicative planning figures (IPFs), pending the mid-term review of the fifth cycle by the Governing Council in June 1994 and the formal revision of IPFs at that time. Despite this decline in its core resource base, UNDP is increasingly being called upon to assume greater responsibilities beyond its regular development activities.

E. The United Nations and UNDP

28. The 49 years since the United Nations was created has been a period of enormous change. Global population has doubled - faster than ever before. New and powerful technologies have sprung up in a ferment of unprecedented creativity. Economies have grown at a rate never before recorded. Public health, research and education have extended life expectancy. Colonialism has ended. Peoples' participation in political and economic decision-making has expanded on a scale never seen before. Improvements in communications have brought people, ideas and resources together in a way unimaginable in 1945.

29. The United Nations has played a significant role in these movements. It has provided a forum for political debate and change, particularly for decolonization. It has facilitated the exchange of information, the transfer of skills and the process of socio-economic development. It has provided humanitarian help at times of crisis and kept alive the aspiration of a just and peaceful international community, when the reality has often been tragically different.

30. UNDP has been part of the United Nations contribution to the positive change of the past four decades. Like the United Nations itself, UNDP has not always been successful at presenting its accomplishments; partly because of an internal systemic failure to capture them and present them to the global audience, and partly because it is not easy to single out the peculiar UNDP contribution to a complex, multifaceted development effort.

31. As the global situation has changed, UNDP has also attempted to remain relevant to new conditions and challenges. It has taken seriously the injunctions of General Assembly resolutions 44/211 and 47/199 as well as decisions of the Governing Council and reviews by individual member countries. As required by the Council, it is concentrating its substantive and operational capability on interventions to build and strengthen capacity in key areas essential for sustainable human development. It has developed instruments and procedures to enhance the better use and integration of development resources, both national and external, in a context of partnership rather than aid. It has moved to support its Resident Representatives to perform more effectively as the Resident Coordinators for the entire United Nations system of operational activities. It has risen to the challenges posed by natural and man-made emergencies and by transitions from centrally planned to market economies as well as from autocratic to participatory governance. And it has further decentralized its operations to the country level to make them more responsive to local requirements.

III. EXECUTIVE BOARD ACTION

32. The Executive Board may wish to

Take note of the present report.